

C. MARITIME INDUSTRY AUTHORITY

STRATEGIC OBJECTIVES

- MANDATE** : The Maritime Industry Authority (MARINA) develops Philippine domestic shipping, shipbuilding, ship repair and ship breaking through investment incentives, deregulation of rates/operation, enhancement of safety standards, compulsory insurance coverage for passengers and cargoes, reasonable fines and penalties, and constructive measures for a strong and competitive merchant fleet. Republic Act (R.A.) No. 10635 established MARINA as the single maritime administration responsible for the implementation and enforcement of the 1978 international convention of Standards of Training, Certification and Watchkeeping (STCW) Convention for Seafarers, as amended.
- VISION** : It shall be a premier maritime administration in Southeast Asia propelling the Philippine maritime industry to global competitiveness.
- MISSION** : To effectively administer an integrated and sustainable maritime industry.
- KEY RESULT AREAS** : Rapid, inclusive and sustained economic growth
- SECTOR OUTCOME** : Access to markets and seamless interconnection of the entire country

ORGANIZATIONAL
 OUTCOME : 1. Accessibility, safety and efficiency of domestic maritime transport services improved
 2. Globally competitive Filipino seafarers sustained

SECTION 1 : EXPENDITURE PROGRAM
 (in pesos)

No./ Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	477,617,000	190,601,000	436,345,000
	PS	47,365,000	29,878,000	36,295,000
	MOOE	141,052,000	160,623,000	160,050,000
	CO	289,200,000	100,000	240,000,000
000002000000000	Support to Operations	12,116,000	9,598,000	27,936,000
	PS	7,199,000	4,328,000	8,357,000
	MOOE	4,917,000	5,270,000	4,127,000
	CO			15,452,000
000003000000000	Operations	401,909,000	997,174,000	871,584,000
	PS	170,009,000	157,847,000	191,353,000
	MOOE	223,159,000	572,137,000	671,231,000
	CO	8,741,000	267,190,000	9,000,000
TOTAL AGENCY BUDGET		891,642,000	1,197,373,000	1,335,865,000
	PS	224,573,000	192,053,000	236,005,000
	MOOE	369,128,000	738,030,000	835,408,000
	CO	297,941,000	267,290,000	264,452,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	764	764	764
Total Number of Filled Positions	445	508	508

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: MARITIME INDUSTRY POLICY SERVICES	4,804,000	2,162,000		6,966,000
MFO 2: MARITIME INDUSTRY REGULATORY SERVICES	169,956,000	644,069,000	9,000,000	823,025,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
CENTRAL OFFICE	133,929,000	689,039,000	264,452,000	1,087,420,000
Regional Allocation (net of Central Office):	81,791,000	121,369,000		203,160,000
Region I - Ilocos	3,229,000	7,333,000		10,562,000
Region IVA - CALABARZON	11,799,000	12,159,000		23,958,000
Region V - Bicol	4,348,000	5,446,000		9,794,000
Region VI - Western Visayas	8,490,000	11,445,000		19,935,000
Region VII - Central Visayas	15,090,000	20,719,000		35,809,000
Region VIII - Eastern Visayas	9,929,000	16,428,000		26,357,000
Region IX - Zamboanga Peninsula	9,645,000	12,179,000		21,824,000
Region X - Northern Mindanao	6,646,000	9,038,000		15,684,000
Region XI - Davao	8,326,000	13,421,000		21,747,000
Region XII - SOCCSKSARGEN	4,289,000	5,658,000		9,947,000
Region XIII - CARAGA		7,543,000		7,543,000
TOTAL AGENCY BUDGET	215,720,000	810,408,000	264,452,000	1,290,580,000

SECTION 3 : SPECIAL PROVISION(S)

1. Tonnage Fees. In addition to the amounts appropriated herein, Twenty Five Million Pesos (P25,000,000) shall be used for the promotion and development of the domestic shipping industry, enhancement of maritime safety, and promotion of the shipbuilding and ship repair industry in the country sourced from the annual tonnage fees collected by the Maritime Industry Authority (MARINA) from ship owners or operators in accordance with Section 17, Chapter VII of R.A. No. 9295.

Release of funds shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The MARINA shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments. The Administrator of MARINA and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the MARINA website.

2. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

SECTION 4 : PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Foster a globally competitive maritime industry.
2. Provide timely and efficient quality service to clients and maritime transport users.
3. Strengthen stakeholders' ownership of maritime policies, programs and projects.
4. Ensure compliance with safety and environmental standards.
5. Ensure sufficient manpower complement.
6. Develop strategic competencies.
7. Develop an IT-enabled agency.
8. Rationalize budgeting process for optimum use.
9. Augment resources through use of income, trust funds and other sources.

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Accessibility, safety and efficiency of domestic maritime transport services improved		
% increase in the number of operating merchant ships	6,254 operating merchant ships	3% (6,442)
% decrease in the number of maritime-related accidents	42 maritime-related accidents	1% (41)
% increase in the number of domestic seafarers certificated	7,751 domestic seafarers certificated	2% (7,906)
Globally competitive Filipino seafarers sustained		
% increase in the number of certificated seafarers	227,917 certificated seafarers	5% (239,313)

MFO / PIs	2016 Targets
MFO 1: MARITIME INDUSTRY POLICY SERVICES	
No. of policies, rules and regulations updated, issued and disseminated	16
% of clients who rate the policies as satisfactory or better	70%
% of policies, rules and regulations updated over the last three years	90%
MFO 2: MARITIME INDUSTRY REGULATORY SERVICES	
Licensing and Registration/Franchising	
No. of vessels new applications/renewal for issuance of permits, licenses and certificates	46,721
No. of seafarers new applications/renewal for issuance of permits, licenses and certificates	1,205,292
% of permit, license, or certificate holders with one or more recorded incidents in the last three years	2%
% of seafarer certificated/ documented with one or more recorded violations in the last three years	2%
% of license applications processed within fifteen days from receipt of application	90%

Monitoring		
No. of cases/complaints filed and processed		170
% of permit, license, or certificate holders with two or more recorded incidents/violations over the last three years		5%
% of filed cases/complaints resolved within one month		70%
Enforcement		
No. of violations and complaints acted upon and reports issued		20
% of certificate/permit holders or licensees with two or more adverse findings during monitoring		2%
% of detected non-compliance issued with notice for rectification within seven days of detection		90%

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	536,498	1,155,605	1,290,580
General Fund		1,155,605	1,290,580
R.A. No. 10633	536,498		
Automatic Appropriations	43,172	41,768	45,285
Retirement and Life Insurance Premiums	18,172	16,768	20,285
Special Account	25,000	25,000	25,000
Continuing Appropriations	300,228	4,634	
Unobligated Releases for Capital Outlays			
R.A. No. 10352	300,000		
R.A. No. 10633		571	
Unobligated Releases for MOOE			
R.A. No. 10352	228		
R.A. No. 10633		4,063	
Budgetary Adjustment(s)	37,398		
Transfer(s) from:			
National Disaster Risk Reduction and Management Fund (Calamity Fund)	22,522		
Miscellaneous Personnel Benefits Fund	9,839		
Pension and Gratuity Fund	5,037		
Total Available Appropriations	917,296	1,202,007	1,335,865
Unused Appropriations	(25,654)	(4,634)	
Unobligated Allotment	(25,654)	(4,634)	
TOTAL OBLIGATIONS	891,642	1,197,373	1,335,865
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Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 1,290,580,000
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New Appropriations, by Programs/Activities/Projects, by Operating Units

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
0000010000000000 General Administration and Support	33,324,000	160,050,000	240,000,000	433,374,000
1030010001000000 General Management and Supervision	P 32,839,000	P 160,050,000	P 240,000,000	P 432,889,000
National Capital Region (NCR)	32,839,000	160,050,000	240,000,000	432,889,000
Central Office	32,839,000	160,050,000	240,000,000	432,889,000

103001000200000	Administration of Personnel Benefits	<u>485,000</u>			<u>485,000</u>
	National Capital Region (NCR)	<u>485,000</u>			<u>485,000</u>
	Central Office	<u>485,000</u>			<u>485,000</u>
Sub-total, General Administration and Support		<u>33,324,000</u>	<u>160,050,000</u>	<u>240,000,000</u>	<u>433,374,000</u>
000002000000000	Support to Operations	<u>7,636,000</u>	<u>4,127,000</u>	<u>15,452,000</u>	<u>27,215,000</u>
103002000100000	Maintenance and operation of an integrated information system on the country's maritime industry	<u>7,636,000</u>	<u>4,127,000</u>	<u>15,452,000</u>	<u>27,215,000</u>
	National Capital Region (NCR)	<u>7,636,000</u>	<u>4,127,000</u>	<u>15,452,000</u>	<u>27,215,000</u>
	Central Office	<u>7,636,000</u>	<u>4,127,000</u>	<u>15,452,000</u>	<u>27,215,000</u>
Sub-total, Support to Operations		<u>7,636,000</u>	<u>4,127,000</u>	<u>15,452,000</u>	<u>27,215,000</u>
000003000000000	Operations	<u>174,760,000</u>	<u>646,231,000</u>	<u>9,000,000</u>	<u>829,991,000</u>
000003010000000	MFO 1: MARITIME INDUSTRY POLICY SERVICES	<u>4,804,000</u>	<u>2,162,000</u>		<u>6,966,000</u>
165003010100000	Formulation of the maritime industry policies, plans and programs	<u>4,804,000</u>	<u>2,162,000</u>		<u>6,966,000</u>
	National Capital Region (NCR)	<u>4,804,000</u>	<u>2,162,000</u>		<u>6,966,000</u>
	Central Office	<u>4,804,000</u>	<u>2,162,000</u>		<u>6,966,000</u>
000003020000000	MFO 2: MARITIME INDUSTRY REGULATORY SERVICES	<u>169,956,000</u>	<u>644,069,000</u>	<u>9,000,000</u>	<u>823,025,000</u>
165003020100000	Regulation and technical supervision of the maritime industry thru the provision and development of safe, efficient, economical, adequate, responsive water transport services to the public	<u>94,932,000</u>	<u>111,334,000</u>	<u>2,000,000</u>	<u>208,266,000</u>
	National Capital Region (NCR)	<u>13,141,000</u>	<u>11,738,000</u>	<u>2,000,000</u>	<u>26,879,000</u>
	Central Office	<u>13,141,000</u>	<u>11,738,000</u>	<u>2,000,000</u>	<u>26,879,000</u>
	Region I - Ilocos	<u>3,229,000</u>	<u>7,005,000</u>		<u>10,234,000</u>
	Regional Office - I	<u>3,229,000</u>	<u>7,005,000</u>		<u>10,234,000</u>
	Region IVA - CALABARZON	<u>11,799,000</u>	<u>9,771,000</u>		<u>21,570,000</u>
	Regional Office - IVA	<u>11,799,000</u>	<u>9,771,000</u>		<u>21,570,000</u>
	Region V - Bicol	<u>4,348,000</u>	<u>5,446,000</u>		<u>9,794,000</u>
	Regional Office - V	<u>4,348,000</u>	<u>5,446,000</u>		<u>9,794,000</u>
	Region VI - Western Visayas	<u>8,490,000</u>	<u>7,500,000</u>		<u>15,990,000</u>
	Regional Office - VI	<u>8,490,000</u>	<u>7,500,000</u>		<u>15,990,000</u>
	Region VII - Central Visayas	<u>15,090,000</u>	<u>15,263,000</u>		<u>30,353,000</u>
	Regional Office - VII	<u>15,090,000</u>	<u>15,263,000</u>		<u>30,353,000</u>
	Region VIII - Eastern Visayas	<u>9,929,000</u>	<u>14,539,000</u>		<u>24,468,000</u>
	Regional Office - VIII	<u>9,929,000</u>	<u>14,539,000</u>		<u>24,468,000</u>

	Region IX - Zamboanga Peninsula	<u>9,645,000</u>	<u>10,892,000</u>	<u>20,537,000</u>	
	Regional Office - IX	9,645,000	10,892,000	20,537,000	
	Region X - Northern Mindanao	<u>6,646,000</u>	<u>7,172,000</u>	<u>13,818,000</u>	
	Regional Office - X	6,646,000	7,172,000	13,818,000	
	Region XI - Davao	<u>8,326,000</u>	<u>9,437,000</u>	<u>17,763,000</u>	
	Regional Office - XI	8,326,000	9,437,000	17,763,000	
	Region XII - SOCCSKSARGEN	<u>4,289,000</u>	<u>5,658,000</u>	<u>9,947,000</u>	
	Regional Office - XII	4,289,000	5,658,000	9,947,000	
	Region XIII - CARAGA		<u>6,913,000</u>	<u>6,913,000</u>	
	Regional Office - XIII		6,913,000	6,913,000	
165003020200000	Processing and issuance of Seafarer's Identification and Record Book (SIRB) and licensing of vessel crews	<u>8,491,000</u>	<u>125,879,000</u>	<u>134,370,000</u>	
	National Capital Region (NCR)	<u>8,491,000</u>	<u>125,879,000</u>	<u>134,370,000</u>	
	Central Office	8,491,000	125,879,000	134,370,000	
165003020300000	Regulation and supervision of the domestic shipping industry	<u>8,099,000</u>	<u>2,888,000</u>	<u>7,000,000</u>	<u>17,987,000</u>
	National Capital Region (NCR)	<u>8,099,000</u>	<u>2,888,000</u>	<u>7,000,000</u>	<u>17,987,000</u>
	Central Office	8,099,000	2,888,000	7,000,000	17,987,000
165003020400000	Regulation and supervision of the overseas shipping industry	<u>4,754,000</u>	<u>37,884,000</u>	<u>42,638,000</u>	
	National Capital Region (NCR)	<u>4,754,000</u>	<u>37,884,000</u>	<u>42,638,000</u>	
	Central Office	4,754,000	37,884,000	42,638,000	
165003020500000	Licensing and registration of all shipyards in the Philippines	<u>6,705,000</u>	<u>5,604,000</u>	<u>12,309,000</u>	
	National Capital Region (NCR)	<u>6,705,000</u>	<u>5,604,000</u>	<u>12,309,000</u>	
	Central Office	6,705,000	5,604,000	12,309,000	
165003020600000	Franchising and regulation of domestic water transportation	<u>5,049,000</u>	<u>5,083,000</u>	<u>10,132,000</u>	
	National Capital Region (NCR)	<u>5,049,000</u>	<u>5,083,000</u>	<u>10,132,000</u>	
	Central Office	5,049,000	5,083,000	10,132,000	
165003020700000	Enforcement of maritime laws and regulations	<u>4,544,000</u>	<u>5,980,000</u>	<u>10,524,000</u>	
	National Capital Region (NCR)	<u>4,544,000</u>	<u>5,980,000</u>	<u>10,524,000</u>	
	Central Office	4,544,000	5,980,000	10,524,000	
165003020800000	Administration of maritime education, training, certification and watchkeeping systems, and standards for seafarers, in compliance with international convention	<u>37,382,000</u>	<u>349,417,000</u>	<u>386,799,000</u>	
	National Capital Region (NCR)	<u>37,382,000</u>	<u>327,644,000</u>	<u>365,026,000</u>	
	Central Office	37,382,000	327,644,000	365,026,000	

Region I - Ilocos		<u>328,000</u>		<u>328,000</u>
Regional Office - I		328,000		328,000
Region IVA - CALABARZON		<u>2,388,000</u>		<u>2,388,000</u>
Regional Office - IVA		2,388,000		2,388,000
Region VI - Western Visayas		<u>3,945,000</u>		<u>3,945,000</u>
Regional Office - VI		3,945,000		3,945,000
Region VII - Central Visayas		<u>5,456,000</u>		<u>5,456,000</u>
Regional Office - VII		5,456,000		5,456,000
Region VIII - Eastern Visayas		<u>1,889,000</u>		<u>1,889,000</u>
Regional Office - VIII		1,889,000		1,889,000
Region IX - Zamboanga Peninsula		<u>1,287,000</u>		<u>1,287,000</u>
Regional Office - IX		1,287,000		1,287,000
Region X - Northern Mindanao		<u>1,866,000</u>		<u>1,866,000</u>
Regional Office - X		1,866,000		1,866,000
Region XI - Davao		<u>3,984,000</u>		<u>3,984,000</u>
Regional Office - XI		3,984,000		3,984,000
Region XIII - CARAGA		<u>630,000</u>		<u>630,000</u>
Regional Office - XIII		630,000		630,000
Sub-total, Operations	174,760,000	646,231,000	9,000,000	829,991,000
TOTAL NEW APPROPRIATIONS	P 215,720,000	P 810,408,000	P 264,452,000	P 1,290,580,000
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Obligations, by Object of ExpendituresCYs 2014-2016
(In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	148,002	139,743	169,046
Total Permanent Positions	<u>148,002</u>	<u>139,743</u>	<u>169,046</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	10,782	10,560	12,192
Representation Allowance	3,785	2,604	4,296
Transportation Allowance	3,562	2,604	4,296
Clothing and Uniform Allowance	1,910	2,200	2,540
Productivity Incentive Allowance	777	880	
Honoraria	87		
Overtime Pay	136		
Year End Bonus	12,453	11,645	14,088

Cash Gift	2,169	2,200	2,540
Per Diems		96	96
Step Increment	4	351	792
Collective Negotiation Agreement	6,454		
Productivity Enhancement Incentive	2,198		2,540
Performance Based Bonus	4,115		
Total Other Compensation Common to All	<u>48,432</u>	<u>33,140</u>	<u>43,380</u>
Other Compensation for Specific Groups			
Longevity Pay	220		
Other Personnel Benefits	3,167		
Total Other Compensation for Specific Groups	<u>3,387</u>		
Other Benefits			
Retirement and Life Insurance Premiums	17,386	16,768	20,285
PAG-IBIG Contributions	531	524	611
PhilHealth Contributions	1,497	1,355	1,587
Employees Compensation Insurance Premiums	526	523	611
Retirement Gratuity	2,724		295
Terminal Leave	1,881		190
Total Other Benefits	<u>24,545</u>	<u>19,170</u>	<u>23,579</u>
Non-Permanent Positions	<u>207</u>		
TOTAL PERSONNEL SERVICES	<u>224,573</u>	<u>192,053</u>	<u>236,005</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	26,768	84,423	102,520
Training and Scholarship Expenses	7,116	31,437	49,623
Supplies and Materials Expenses	37,863	86,581	101,596
Utility Expenses	33,495	50,001	53,913
Communication Expenses	7,563	20,031	21,748
Awards/Rewards and Prizes	100		
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses		600	600
Extraordinary and Miscellaneous Expenses	948	1,156	1,960
Professional Services	2,943	20,742	10,229
General Services	13,533	47,219	19,121
Repairs and Maintenance	3,662	6,551	8,374
Taxes, Insurance Premiums and Other Fees	447	1,988	2,467
Labor and Wages	21,781		45,576
Other Maintenance and Operating Expenses			
Advertising Expenses	2,080	2,101	2,356
Printing and Publication Expenses	113,084	269,328	278,901
Representation Expenses	7,247	10,147	10,757
Transportation and Delivery Expenses	1,058	2,180	2,300
Rent/Lease Expenses	58,075	102,305	121,037
Membership Dues and Contributions to Organizations	44	225	414
Subscription Expenses	163	1,015	1,916
Donations	7		
Other Maintenance and Operating Expenses	31,151		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>369,128</u>	<u>738,030</u>	<u>835,408</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>593,701</u>	<u>930,083</u>	<u>1,071,413</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures	289,170		100,000
Machinery and Equipment Outlay	7,026	234,124	24,452
Transportation Equipment Outlay		15,113	
Furniture, Fixtures and Books Outlay	1,745	18,053	140,000
TOTAL CAPITAL OUTLAYS	<u>297,941</u>	<u>267,290</u>	<u>264,452</u>
GRAND TOTAL	<u>891,642</u>	<u>1,197,373</u>	<u>1,335,865</u>